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Climate, Environment and
Energy

“South-North Dialogue – Equity in the Greenhouse”: Phase 2

Report on the “Asia Pacific Roundtable Discussion on Equity in the Greenhouse”

(6-7 May 2005, Jakarta)

The Ministry of the Environment of the Republic of Indonesia together with Pelangi and the Wuppertal Institute for Climate, Environment and Energy co-hosted the “Asia Pacific Roundtable Discussion on Equity in the Greenhouse” on 6-7 May 2005 in Jakarta.¹ The objective of this meeting was to facilitate a frank and open discussion among policy-makers and researchers from developing countries in the Asia Pacific region on the challenges of the upcoming negotiations on a post-2012 climate agreement. In particular, participants discussed core elements of the proposal “Towards an adequate and equitable global climate agreement” that was agreed on by 14 researchers from all world regions as the result of the project “South-North Dialogue – Equity in the Greenhouse” (Ott et al. 2004).

This report summarizes the discussion during the workshop. As participants agreed on applying “Chatham House Rules” there is no reference to the position of a particular participant. The presentations held at the meeting and more information on the project “South-North Dialogue – Equity in the Greenhouse” are available at <http://www.south-north-dialogue.net>.

Opening Session

The Indonesian Deputy Minister for Environment, Mr. Sudariyono, opened the “Asia Pacific Roundtable Discussion on Equity in the Greenhouse”. He welcomed participants on behalf of the minister and emphasised the opportunity given by

¹ The “Asia Pacific Roundtable Discussion on Equity in the Greenhouse” was supported by the German Federal Ministry for Economic Cooperation and Development (BMZ) through the Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (GTZ).

this roundtable to discuss post-2012 international climate policy options in time before official negotiations start. He continued with outlining future challenges in international climate policy from an Indonesian perspective. By doing this, he referred to the ultimate objective of the Climate Convention (Art. 2 UNFCCC) to avoid dangerous interference with the climate system and emphasised that further action beyond the first commitment period of the Kyoto Protocol is needed. He pointed out that this action should be based on the Kyoto Protocol and should not replace it.

Post-2012 negotiations should start by defining a safe corridor of atmospheric concentration to operationalise Article 2 UNFCCC, he suggested, and referred to the 2 degree goal agreed on by the European Union. Based on this, progressive global steps to reduce greenhouse gas emissions including concrete targets and timetables should follow: Firstly, industrialised countries have to show real leadership, i.e. they have to take on more progressive reduction targets than in Kyoto. Besides, they have to clearly demonstrate progress made in implementing their existing commitments. This is a precondition for the second step. A small number of developing countries that are comparable with industrialised countries should also take on mitigation commitments although the type of these commitments might be different to those taken on by industrialised countries. To ensure that this step is done in an equitable manner, identifying those countries and the respective commitments should not only be left to the negotiation table but should be based on a more systematic approach that includes the criteria of responsibility, capability and potential to mitigate. However, he also said, that more "bottom up" discussions within the "G77 & China" and with other stakeholder is needed and that it might be helpful to create an own forum for "South-South" discussion.

As a second track for future action, negotiations on adaptation need to progress in an intensified manner. This is not meant to replace mitigation but to support those most vulnerable to the impacts of climate change, he added. A major requirement for this is a predictable funding stream for adaptation activities that go far beyond the level already agreed. He continued by saying that the issue of "impacts of response measures" should be separated from the adaptation discussion to speed up negotiations. Besides, the AOSIS proposal on insurance should be further assessed. He also emphasised the need for detailed information on vulnerability of countries and regions as a precondition for adaptation activities.

He concluded by thanking Pelangi, the Wuppertal Institute and the GTZ for co-organising and co-funding the "Asia-Pacific Roundtable Discussion".

Introductory session

Chair: Agus P. Sari (Pelangi)

PRESENTATION: Bernd Brouns (Wuppertal Institute) outlined the current debate on climate policy beyond 2012 and introduced the project “South-North Dialogue – Equity in the Greenhouse”. He started with a brief overview of recent scientific findings that clearly indicate the urgency for intensified future action in climate policy. By referring to the extensive discussion on post-2012 climate policy in the research community, in civil society and, more recently, at the government level in many (industrialised) countries and by pointing to the legal requirements in the Kyoto Protocol and the UNFCCC to start negotiations on the further development of the climate regime very soon he emphasised the urgency to prepare these negotiations.

The “South-North Dialogue” proposal, a joint compromise proposal by 14 researchers on key elements of a future climate agreement, could build a basis for post-2012 negotiations. This proposal is unique as it was agreed upon by researchers from all world regions, most of them coming from developing countries. Apart from that also the process of its elaboration in the project “South-North Dialogue – Equity in the Greenhouse” in an open dialogue process makes the proposal outstanding. The different parts of the proposal were in detail discussed during the course of the roundtable discussion.

The “South-North Dialogue” project was also a trust building exercise. Extending this dialogue approach to the political level is one of the main purposes of the “Asian Pacific Roundtable”, he concluded.

DISCUSSION: The discussion focussed on the role of climate policy in developing countries, the different meanings of “equity” and the importance of trust building activities. It can be summarized as follows:

1) Promoting climate change issues in developing countries:

- International level: link climate policy to the debate/processes dealing with sustainable development and the UN Millennium Development Goals; focus not only on equity but also on responsibility;
- National level: strengthening of negotiating capacity in Southern countries is crucial for the success of negotiations; “translate” benefits of mitigation activities to the national interests (e.g. pollution control); discuss the “South-North” proposal with stakeholders in each country; address “ordinary people”: a) raise awareness on climate change issues, b) demonstrate required behavioural changes.

2) Importance of trust building activities:

- trust building required at different levels: a) trust between groups of countries (Annex I and non-Annex I countries), b) within a group of countries (e.g. "G 77 & China"), c) within each country;
- precondition for trust building activities is the knowledge of different interests and perceptions (e.g. OPEC vs. SIDS); find solutions for each of the perceptions.

3) Meaning of "equity":

- equity has several dimensions; it is not only related to mitigation but also to the impacts of climate change, not only to the international but also to the intranational level;
- even within each dimension, equity could have different meanings depending on the subjective perception.

4) Other issues:

- definition of long-term goal (Art. 2 UNFCCC) dependent on national circumstances; for some countries, the current level of climate change is already dangerous;
- grouping of countries: a) industrialised countries that have ratified the Kyoto Protocol, b) industrialised countries that have not ratified the Kyoto Protocol, c) developing countries; the future role and importance of the "G 77 & China" was discussed (*see also section on mitigation commitments and political leadership*).

Adaptation Policy

Chair: Preeti M. Bhandari

PRESENTATION: Atiq Rahman (Bangladesh Centre for Advanced Studies) outlined the recommendations on adaptation policy contained in the "South-North" proposal. As climate change is already underway, the support of vulnerable countries in adapting to the impacts of climate change needs to play a more prominent role in future negotiations. Key elements for adaptation to be included in an equitable future climate agreement are:

- Fair burden-sharing mechanisms that link funding for adaptation to responsibility for the impacts of climate change, to operationalize the 'polluter pays' principle;
- Adequate and predictable revenue streams for funding adaptation activities; current level of funding is far from being sufficient;
- New and innovative risk transfer mechanisms such as insurance schemes;
- Mainstreaming adaptation in the development agenda;
- Capacity building at many different levels and in many different areas.

He concluded by saying that although adaptation needs to gain importance in negotiations, ultimately, mitigation is the best form of adaptation as there are limits to adaptation.

DISCUSSION: Participants agreed with the core messages contained in the proposal but had slight disagreements on the way to prioritise vulnerable regions and the benefits of mainstreaming adaptation. The discussion furthermore focussed on the weaknesses of current funding mechanisms and on potential funding sources and can be summarized as follows:

1. Weakness of current funding mechanisms:

- unclear institutional arrangement for adaptation funding: which institution has the legal authority (COP vs. GEF); this breaks down in a South-North issue;
- modification of current GEF rules for funding adaptation, in particular those on incremental costs and the global benefit criteria;
- streamlining application procedures for funds to avoid that those countries get the funds that write the best proposals;
- some non-Annex I countries that are not SIDS or LDCs do hardly fit in any of the existing funds.

2. Prioritising vulnerable regions:

- need for standardizing vulnerability to systematically prioritise vulnerable regions;
- however, "one size fits all" approach such as vulnerability indexes have many shortcomings; the differing national/regional circumstances require country/region specific vulnerability assessments.

3. Mainstreaming adaptation into development policies:

- implies a conditionality for adaptation funding as it requires the country to have a national sustainable development strategy or similar plans;
- danger that only existing ODA will be used, no additional and new funding.

4. Sources of funding:

- question "who has to pay?" already answered within the Convention; Art. 4.4 UNFCCC obliges industrialised countries to support those most vulnerable to the impacts of climate change;
- new funding sources required such as a levy on bunker fuels;
- insurance fund such as presented by AOSIS at COP 2.

Mitigation commitments

Chair: Atiq Rahman

PRESENTATION: Preety Bhandari (The Energy and Resources Institute – TERI) outlined the recommendations on mitigation commitments contained in the “South-North” proposal – including both, deep cuts in the North, and differentiated mitigation commitments for developing countries. The proposal defines six groups of countries that should take differentiated types of mitigation commitments in a future climate regime: Annex II and Annex I (but not Annex II) countries, and four groups of non-Annex I countries each including countries with similar national circumstances, i.e. newly industrialised countries (NICs) and rapidly industrialising developing countries (RIDCs), Other Developing Countries and Least-developed countries (LDCs). The grouping of the non-Annex I countries is based on the criteria of responsibility, capability and potential to mitigate. By applying different decision rules, the following mitigation commitments were defined for the six country groups:

- Both Annex I groups retain Kyoto-style quantitative commitments, with targets for Annex II countries being more demanding than Kyoto levels. The latter would also be committed to financial and technological transfers to those non-Annex I countries with low-to-medium capability to mitigate.
- Countries belonging to the group of NICs and RIDCs would also have to take on quantitative mitigation commitments – although subject to the conditionality that all major Annex I countries take on quantified emission reduction commitments and fulfil their commitments to provide financial and technological resources.
- The group of ‘other developing countries’ and the LDC group would only have to take on qualitative mitigation commitments (policies and measures).

This approach for differentiation among countries is not static. As national circumstances in countries evolve over time, the composition of the groups will change. She concluded by emphasising that this proposal does not aim at splitting the negotiating group of “G 77 & China” politically but that solidarity among these countries requires that those, which are better off, contribute more to global mitigation efforts.

DISCUSSION: Most participants agreed on the need for strengthened commitments of industrialised countries and for differentiation among developing countries. On the criteria for differentiation and the types of commitments participants had differing opinions. Main topics of the discussion can be summarized as follows:

1. Criteria for differentiation and types of commitments:

- different positions on criteria: responsibility indicated by accumulated emissions should get more weight; per capita basis of indicators could lead

to non-incorporation of major emitters; technological indicator for capability instead of GDP per capita would be more adequate but might be too complex; criteria may only serve as a basis for negotiations but negotiators won't agree on a set of criteria;

- commitments: it might be difficult to take on quantitative absolute commitments for countries with rapid economic growth; other types of commitments for NICs/RIDCs might be more adequate; how binding are NICs/RIDCs commitments?

2. Compatibility with the Kyoto Protocol:

- compatibility with the existing Kyoto system is important;
- need for further elaboration on the legal/political implementation.

3. Mitigation activities in non Annex I countries:

- many non-Annex I countries are already proactively implementing mitigation measures;
- some non-Annex I countries are aware that they have to take on some type of mitigation commitment in the near future.

4. Other issues:

- different positions on the role of the CDM as a mechanism to integrate developing countries in mitigation efforts;
- how to keep the momentum going of discussing the "South-North" mitigation proposal in the next 2-3 years until positions may change.

Political Leadership

Chair: Bernd Brouns

PRESENTATION: Referring to different theories of leadership Agus P. Sari (Pelangi) outlined a leadership strategy contained in the "South-North" proposal that consists of six pillars:

- Firm commitment of Parties to the Kyoto Protocol;
- EU: Strengthened efforts in implementing existing commitments;
- EU: serious efforts to regain trust of the South (undoing the Delhi shock);
- Developing countries: regain control over their cause; define interests and strategies, overcome block mentality;
- World: engage with the U.S. at different levels such as states, communities, businesses and NGOs;
- Civil society: support organisations in the U.S. and the South.

He concluded by highlighting the need for a leadership alliance led by the EU and (some) developing countries.

DISCUSSION: Most participants agreed that in the past mainly the European Union had a leadership role in negotiations but confirmed the requirement for more leadership by (some) developing countries in the future. Discussion therefore focussed among other things on the role of developing countries in an alliance to push international climate policy forward.

1. Leadership in past negotiations:

- the European Union as an important actor that paved the way for the adoption and entry into force of the Kyoto Protocol was acknowledged; within the EU the role of countries such as the Netherlands and some Scandinavian countries was highlighted;
- AOSIS showed moral leadership; the countries with vulnerable coastal areas, on the other hand, were far less engaged;
- (some) developing countries played a progressive role during negotiation periods when the "G 77 & China" did not act jointly;
- the influence by some individuals such as Estrada and Pronk was emphasised;
- more recently no country (group) has shown real leadership.

2. Leadership (alliances) in the future:

- the potential of a strategic leadership alliance of (some) developing countries and the EU was highlighted by most participants;
- an alliance by the EU, ASEAN and CAC countries was suggested.

3. Role of developing countries in the future:

- most participants agreed that developing countries have a tremendous leadership potential;
- the role of ASEAN countries was highlighted; in particular, an alliance between India and China would be powerful (bilaterals ongoing);
- Brazil could be a key actor due to its high diplomatic skills; however, its role may depend on the role of forest/LULUCF in future negotiations.

4. How to promote engagement of developing countries:

- focus on opportunity based rather than threat based coalitions; the potential of (new) technologies and emerging markets should be highlighted; emphasise the potential to involve the private sector in (new) technology markets;
- alliances among subsets of the group: need for a "contact group" or high-level informals within the "G 77 & China" so that interests of (big) developing countries to move forward can be identified; technology partnerships between some developing countries;
- many examples in other international processes where the "G 77 & China" did not act as a group (e.g. WTO, biosafety); at the same time, the "G 77 & China" exists for a lot of other reasons than climate (e.g. security).

5. Role of industrialised countries in the future:

- EU leadership more difficult due to enlargement;
- U.K. as a key actor in the year to come;
- one participant highlighted the ability of the U.S. to lead.

6. Other issues:

- identify group of countries that could lead in terms of process (not necessarily in terms of outcomes); facilitative, trust building and mediative leadership;
- Kyoto a major success in terms of process, not in terms of substance;
- US bilaterals: real action or strategy to undermine the multilateral process?

Conclusion

Participants welcomed the opportunity for an exchange on post-2012 issues and on the “South-North” proposal at the “Asia Pacific Roundtable Discussion”. They emphasised the need for similar processes aiming at facilitating an intensified “South-South” discussion. In the follow-up of the meeting they agreed on this summary report of the roundtable discussions to be made available for the public.

More information on the “South-North Dialogue” process is available at <http://www.south-north-dialogue.net> .

References

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